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House of Representatives

The House met at 9:30 a.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendments bills of the House of the following titles:

H.R. 1374. An act to designate the United States Post Office building located at 680 U.S. Highway 130 in Hamilton, New Jersey, as the "John K. Rafferty Hamilton Post Office Building".

H.R. 3189. An act to designate the United States post office located at 14071 Peyton Drive in Chino Hills, California, as the "Joseph Iletto Post Office".

The message also announced that pursuant to Public Law 105-134, the Amtrak Reform and Accountability Act of 1997, the Chair announces the appointment of the following individual, appointed by the Minority Leader of the United States Senate, to the Amtrak Reform Council: James E. Coston of Illinois vice Donald R. Sweitzer of Virginia.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

THE TOTAL TAX BURDEN

Mr. STEARNS. Mr. Speaker, I would like to bring to the attention of my

colleagues the March 26 article in the Washington Post which highlights the tax cutting success of the Republicans here in Congress. The title reads, quote, "Federal Tax Levels Falls For Most," end quote.

The article highlights studies conducted by a number of tax experts which have concluded that the median two-income family pays less in Federal taxes today than it did in 1981. Now, the figures may differ a little bit from the Congressional Budget Office, the Treasury Department, or the Tax Foundation depending upon the level of the two-family income.

The percentage of Federal income taxes paid has decreased anywhere from 2 percent to 3 percent. Most notably, the Tax Foundation study shows that in 1998, a two-earner family with an income of \$68,605 paid 8.8 percent in Federal income taxes, roughly the same percentage as in 1955. The Tax Foundation credits much of the drop in the percentage paid in taxes to the enactment of the Taxpayer Relief Act of 1997. In particular, families received much of the relief through the per-child tax credit and the Hope and Lifetime Learning Education credits.

In the 106th Congress, we are going a step further by eliminating the marriage penalty tax, reducing the so-called death tax and allowing self-employed people to deduct 100 percent of their health insurance costs.

So, Mr. Speaker, we have made great strides here in Congress to reduce the Federal income tax burden on the American taxpayer, but I believe there is more to be done. Though the average American family is paying somewhat less in Federal income taxes, Mr. Speaker, the Tax Foundation report also shows that the total tax burden for the median two-earner family is 39 percent. For instance, there is the payroll tax which pays for Social Security, disability insurance and hospital portion of Medicare. These continue to in-

crease. Both the employer and the employee pay these payroll taxes with the employer passing his burden to the employee through the form of lower wages. If we combine the employer/employee share of payroll taxes, the burden is 15.3 percent, which exceeds the Federal income tax.

We also have other Federal taxes such as the estate tax, the corporate income tax, various excise taxes paid by businesses which are passed on to the American taxpayers in the form of higher consumer prices or in the reduced value of assets.

Finally, of course, there are the State and local income taxes which surprisingly represent a higher amount of the tax burden compared with just the Federal income tax. The percentage of income paid in State and local taxes is 13.1%. This amount is 4.3% more than paid in federal income taxes on median two income families.

So by adding the payroll tax, all Federal taxes, State and local taxes, the median two-earner family is paying 39 percent of its income in total taxes.

Now, in 1996 the total tax burden was 41.5 percent, so we have seen some relief due to the Republicans' initiatives. Compare the total burden today to 1955, when the two-earner family paid only 18.2 percent total taxes. That is an enormous increase over 43 years, and I believe it shows that the publicity over the reduction in the Federal income tax burden, while important, masks the magnitude of the total tax burden on Americans. We need to continue to provide relief from the estate and gift tax, reduce the capital gains taxes, encourage State and local governments to provide additional tax relief for all Americans.

We are making progress, Mr. Speaker. Let us continue to work harder here and to do more for the American people.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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UNDERGROUND CAMPAIGN DISCLOSURE ACT

The SPEAKER pro tempore (Mr. RYAN of Wisconsin). Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Mr. Speaker, there is a new, rather innocuous-sounding term that embodies much of what is wrong with our campaign finance system in America today. It is called the "527". It is not a bird; it is not a plane; but it is the Superman, the super weapon, of choice for American politics in this election year.

With unlimited amounts of hidden campaign money, 527 organizations are filling our airwaves with hate and our mailboxes with misinformation. 527 simply refers to section 527 of the Internal Revenue Code. It was actually enacted back in the Watergate era to respond to abuses at that time. But now it is as if we have been revisited by the ghost of Nixon and all the wrongdoing of the Committee for the Re-election of the President, better known as CREEP.

Roll Call first reported on this phenomenon last fall; and with a clever and somewhat humorous cartoon, as shown on this blowup, it referred to "Introducing the New 527 Loophole Airbus."

Since the exploitation of Section 527 apparently originated with Newt Gingrich's GOPAC, the tail section is marked "GOP issue ads." There is reference to anonymous, unlimited political contributions and the wing sections of this pig of a plane flying over and polluting the Capitol have the initials of the committees that have been formed by TOM DELAY and J.C. WATTS. These clandestine groups plan to gorge themselves on millions of secret dollars to promote their partisan agenda with unidentified contributors.

There is not anything funny about the pollution of our political process that 527's produce, and as in any struggle neither will they be limited to one party or philosophy.

Today, together with over 100 Members of this House, I am filing the Underground Campaign Disclosure Act to require that these groups file with IRS an initial identifying statement of organization, as well as periodic contribution and expenditure reports similar to and with the same frequency as the filings all candidates already file with the Federal Election Commission.

This information must be made public, including promptly over the Internet. 527's would be subject to the same penalties that already apply for non-compliance already applicable to other tax-exempt organizations.

Unlike most Americans, who are struggling along right now preparing for April 15, these secret 527 organizations usually escape tax free, paying neither Federal income nor gift taxes. Because those American taxpayers, who are out there getting their returns

filed and paid, are essentially subsidizing these 527 loophole organizations, I believe that all of us have a right to know what these clandestine groups are doing, who is giving and how their money is spent.

This legislation that I am introducing would implement the recommendations of the nonpartisan Congressional Joint Committee on Taxation, which only recently concluded that "the special status accorded [these 527's] under present law justifies this public disclosure."

Under my legislation, when the attack ads hit the airwaves, we can at least identify the attackers.

Though my home State of Texas has the most polluted city in America, a Texas-based Republican 527 group ran attack ads in New York against Senator McCain about air pollution.

Drug manufacturers, who have insisted on discriminating against uninsured seniors by charging them over twice as much as their most favored customers on needed prescriptions, have founded a Republican-friendly group that has mislabeled itself "Citizens for Better Medicare." This 527 is committed to spending over \$30 million this year to block reform, and, indeed, it has already run attack ads against some of the very people who are trying to change the law to help seniors on their prescriptions.

For another clandestine political committee, brand new one, here is a blowup of its Web page. It is called "Shape the Debate." How is it going to shape the debate? As its Web page says: by engaging in issue advocacy. It seeks "contributions in unlimited amounts." The contributions can be "from any source," including directly out of the corporate treasury, and we are told that these corporate contributions and other political contributions will never be a matter of public record. They will "not be reported to the Federal Election Commission, nor to any State agency."

I believe that we need a bipartisan effort to address the growing 527 plague. On his web page, George W. Bush indicates he favors "near-instant disclosure of names of contributors on the Internet." I have invited all my colleagues to join in approving this bill. Let's close the growing 527 loophole.

KICKING OFF 30TH ANNIVERSARY OF EARTH DAY/EARTH MONTH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, today we are kicking off the celebration of the 30th anniversary of Earth Day. This year we are celebrating April as Earth Month, with April 22 as the day that is actually Earth Day. The theme of Earth Day this year is the problem of global climate change and clean en-

ergy solutions. Here at home, Mr. Speaker, in the United States, the House Democrats are working to ensure our Nation's long-term energy security while encouraging growth in our economy. We are working to reduce our reliance on fossil fuels and gas guzzling vehicles, increase energy conservation and protect our domestic and global environment.

I should add that the threats of climate change are very real. The past decade has seen some of the largest temperature increases on record. The impacts of climate change could include more extreme weather events, sea level rise, erosion, changes in rainfall patterns, increases in disease epidemics, and changes in agricultural production. And even if we act now, it will take many years to reverse the trend of increasing atmospheric concentrations of greenhouse gases.

Democrats, Mr. Speaker, in the House are trying to be practical. We are supporting measures in the administration's budget proposal that would promote energy efficient and renewable energy technologies in the United States and abroad, and that would reduce emissions that harm people's health and degrade our natural resources. We are also working with other nations to promote the development and export of U.S. clean-energy technologies and reduce emissions in developing nations.

For example, Mr. Speaker, I just returned from India with the President, which is one of the world's largest contributors to global greenhouse gas emissions. I am encouraged, however, because the U.S. and India signed a landmark agreement while the President was there to promote cooperation in the areas of clean energy and climate change in ways that will help India's economy grow in an environmentally sustainable manner. This will reduce air pollution, diminish health risks and preserve India's ecosystems and natural beauty.

As part of this agreement that was signed in India, the Confederation of Indian Industries and the U.S. Energy Association have launched a green business center to foster business development in one of India's most high-tech regions on a more sustainable path. The United States will help India use less energy and improve its environmental quality, and India will not sacrifice its economic growth. In fact, its local businesses will conserve energy and improve their bottom lines.

One of the utilities in my home State of New Jersey, Public Service Electric and Gas, is on the verge of signing a public/private partnership with the Indian government to promote clean-energy technologies and help India avoid the pollution we experienced alongside our industrial development here in the United States.

□ 0945

Mr. Speaker, I look forward to working with my colleagues in the business